

VZCZCXYZ0000  
PP RUEHWEB

DE RUEHGB #0969/01 0981333  
ZNR UUUUU ZZH  
P 081333Z APR 09  
FM AMEMBASSY BAGHDAD  
TO RUEHC/SECSTATE WASHDC PRIORITY 2609  
INFO RHEHNSC/NSC WASHDC PRIORITY

UNCLAS BAGHDAD 000969

SIPDIS

E.O. 12958: N/A

TAGS: [IZ](#) [ECON](#) [PGOV](#) [PREL](#) [EAID](#)

SUBJECT: IMPROVING COORDINATION: SCIENTIAL GLOBAL STUDY ON  
IRAQI MINISTERIAL CAPACITY DEVELOPMENT

[¶1.](#) Summary: The recently completed assessment of U.S. capacity development (CD) programs in Iraq by the independent consultant Scientia Global, Inc. calls for stronger coordination among the ministerial advisors, a comprehensive strategic framework, metrics for measuring progress, support for sustainment and transition plans, and reinforcement of Iraqi buy-in. We have been implementing many of the changes recommended in this post-initiated study for some time and have begun work on others. Among them is improving coordination and planning by organizing ministerial working groups, preparing work plans to guide their efforts, and ensuring their work supports the Joint Campaign Plan (JCP) and the Strategic Framework Agreement (SFA). One of the report's main recommendations we do not go along with is the proposal to develop an overarching CD strategic plan and a new management structure to carry it out. While such an approach may have had merit when we were pursuing a variety of CD programs, it has less to commend itself now that many of these programs are phasing out and the remaining ones are implemented almost entirely through USAID. In our view, stronger coordination using our existing frameworks offers a better way forward. Our internal working groups to support implementation of the Strategic Framework Agreement will support these efforts. We believe the approach outlined here offers a feasible and effective way to assist efforts aimed at building the capacity of Iraq's ministries to manage projects, execute budgets, and deliver services to the Iraqi people. End Summary.

-----  
Assessing Capacity Development  
-----

[¶2.](#) In a report issued January 30, 2007, the Special Inspector General for Iraq Reconstruction (SIGIR) concluded there was a need for more effective support for capacity development (CD). In response to these concerns and our ongoing efforts to improve coordination among our wide-ranging CD program, post commissioned Scientia Global, Inc. to carry out a five-month Iraq Ministerial Capacity Development Assessment. Starting its work in September, Scientia looked at various CD programs aimed at improving both public administration (training, mentoring) and technical support (operations and maintenance). It assessed more than 125 CD programs and projects in ten targeted ministries. It determined that over \$600 million had been spent on these activities since 2004. Scientia conducted a comprehensive survey soliciting USG and Iraqi opinions.

-----  
Coordination and Metrics  
-----

[¶3.](#) Scientia noted overall improvement in operations of various ministries between 2006-2008, including increased power generation output at power plants supported by USG O&M and improvements in budget execution. It also recognized that while USG CD programs have been well received and valued, it is beyond our means to satisfy all CD needs of the

Iraqi government. Communication and coordination among USG agencies were cited as "primary concern" and "overriding theme" of the assessment. It criticized the lack of impact indicator metrics at the overall program level and concluded that metrics for advisor activities were poorly documented. Scientia called for a unified set of metrics, including baselines, tied to a single interagency CD strategy independent of project metrics. For example, it commended the efforts of USAID's Tatweer program in its use of metrics at the output and outcome levels, but noted that these Qat the output and outcome levels, but noted that these metrics did not capture all USG CD efforts. While acknowledging that coordinating bodies do exist, Scientia concluded that the USG CD efforts lack an entity with the requisite authority to direct the efforts of multiple USG agencies.

-----  
Single Interagency Strategy Needed  
-----

¶4. A key conclusion in Scientia's report is that CD programs need clear strategic CD goals. It did not believe that the mission's Joint Campaign Plan or the bilateral Strategic Framework Agreement adequately defines those goals. While noting that the JCP includes metrics for measuring success and identifying targets, it determined that it does not link these metrics to agency-specific strategies. It argued instead for a single strategic planning framework to direct all CD activities.

¶5. Scientia also urged putting in place a stronger coordination process. It saw the Embassy's Ministerial Engagement Coordination Committee (MECC) as a valuable forum

for general inter-ministerial information sharing, but argued for a more formal mechanism to manage intra-ministerial coordination. It noted that the MECC establishes indices and baseline data, but does not tie them to tasks required to support a broader CD strategy. Scientia called for restructuring the MECC to direct policy, strategic direction, and management of all CD programs.

¶6. Other recommendations in Scientia's report included preparing a transition plan for "sunset organizations" and a common definition for CD; formalizing Iraqi ownership and involvement; developing sustainment plans, including details on training follow-up; nurturing professional ties with Iraqi ministries; encouraging Iraqi engagement of international consulting firms or establishment of joint ventures; and compiling an inventory of ministerial engagement projects. Finally, Scientia urged that sufficient resources be made available to implement its recommendations.

-----  
Capacity Development: Next Steps  
-----

¶7. We concur with many of Scientia's recommendations and are already implementing many of them. We are developing transition plans for "sunset programs." We are working to reinforce Iraqi buy-in and consolidate strong professional relationships with Iraqi ministries. We are supporting efforts to hire international legal and consulting services for Iraqi ministries (e.g., by retaining on the Ministry of Electricity's behalf the services of a leading international law firm to negotiate a variety of rehabilitation transactions and provide legal mentoring). We will continue our efforts on these fronts and aim to implement best practices across all ministries.

¶8. We also agree on the need to avoid stove piping and to clearly link CD programs to broader goals of the mission. However, rather than attempting to devise a single, overarching strategic framework with difficult-to-define metrics, we believe a better approach lies in improving planning and coordination among our teams of advisors in individual ministries and ensuring their work supports the

strategy defined in the JCP and SFA. We want to avoid a laborious effort to design and impose a new bureaucratic structure and instead focus on ensuring that work plans are cross-referenced and support our broader strategies.

¶9. Another concern we have with Scientia's proposal for a new centrally directed planning and management framework is that it is not needed. In the past, our CD efforts consisted of many different programs implemented by various agencies represented within the mission. USAID handled Tatweer, the largest of them, but also was responsible for others. The Iraq Transition Assistance Office (ITAO) implemented the Ministry of Electricity's Operations, Maintenance and Sustainability (OMS) program and had many advisors providing technical assistance in various ministries. DOD's Task Force on Business Stability Operations runs the Procurement Assistance Program. Until recently, six 3161 advisors were attached to the Economic Section.

¶10. But this situation is changing. ITAO's OMS program has already been transferred to the Ministry of Electricity. With the exception of USAID's programs, the rest are due to be phased out or transformed into Iraqi-led efforts within the next year or two. We are seeking funding to continue substantial support for CD programs, at least through fiscal year 2010. For the most part, implementation will be in the hands of USAID, which already has effective procedures in place for planning, metrics, and management control.

¶11. Still, we believe we need to improve our planning and coordination of our existing CD programs, but that a less centrally directed and more collaborative approach is warranted. To achieve this, we are moving to implement a three-track approach. First, we are following through on a new initiative to improve coordination among the advisors working with the individual ministries. Under the direction of the Coordinator for Economic Transition in Iraq, we are convening advisors within each ministry to discuss strategic goals and develop work plans. The Embassy's Agriculture Working Group and Public Finance Management Action Group (PFMAG) are already in place. Advisors working on oil issues have expanded their existing weekly meeting to coordinate their work. The advisors to the Ministry of Electricity are now meeting regularly. Initial meetings have taken place bringing advisors together working with the Ministry of Planning and the National Investment Commission. In the future, the agenda of the PFMAG will be expanded to include coordination on issues involving advisors to the planning ministry.

¶12. Second, we will continue to use the larger MECC forum to facilitate inter-ministerial coordination. The MECC will continue to play an important role in exchanging information and sharing lessons learned and best practices on cross-cutting issues. The MECC can also be used to identify programmatic gaps and duplications.

¶13. Third, a small group of MECC principals will meet regularly as needed. Participants will be the section heads responsible for CD programs (USAID, ITAO, Treasury, etc). They will oversee the coordination of the individual ministerial teams, ensure consistency in plans prepared by their program units, and provide overall guidance.

¶14. Our new internal SFA working groups under the Joint Coordinating Committees for Economics and Energy and for Essential Services and IT will support our CD efforts. Work plans for these groups will encourage coordination and information-sharing among the advisors in individual ministries. The plans will outline deliverables, assign roles and responsibilities for advisors, provide for more effective communication with Iraqi counterparts, and ensure consistency with the JCP and SFA.

¶15. CD encompasses broad issues of technical training, mentoring, and institution-building; it is the means and not

the ends to achieving our goals. By implementing this three-track approach and using the structure of the SFA to strengthen internal coordination, we will improve delivery of CD assistance, thus enabling Iraq's ministries more effectively to manage and sustain their programs.

BUTENIS